

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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ROBERT C. WIAN ENTERPRISES, INC., a Corporation,

*Appellant,*

*vs.*

L. O. PERSINGER and MERLE PERSINGER, Individually and  
as Partners, doing business as BIG BOY MANUFACTUR-  
ING COMPANY,

*Appellees.*

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## APPELLEES' BRIEF.

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## APPELLEES' BRIEF.

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### I.

#### JURISDICTIONAL STATEMENT.

##### A. Jurisdiction of United States District Court.

###### 1. First and Second Causes of Action.

Section 1121, Title 15, United States Code confers original jurisdiction on the District Courts of the United States over all actions arising under the Lanham Act. The first and second causes of action of the amended complaint\* are brought under this act of Congress.

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\*The original complaint was amended to state Appellant's claims in separate counts. Since we are no longer concerned with the original complaint, the amended complaint will hereinafter be referred to as the complaint.

## 2. Third Cause of Action.

It is alleged in the complaint that the third cause of action relies for jurisdiction upon 28 United States Code, Section 1338, or upon the principle that this cause of action is related to a substantial claim under the trade-mark laws upon which the other causes of action are based. For reasons hereinafter stated, Appellees do not believe that the first two causes of action are substantial and that consequently the United States District Court did not have jurisdiction over the third cause of action.

Appellees are aware of the holding of the Ninth Circuit that Congress through the Lanham Act has opened the courts of the United States to suits for unfair trade practice. (See *Stauffer v. Exley* (9 Cir., 1950), 184 F. 2d 962, 967; *Pagliero v. Wallace China Co.* (9 Cir., 1952), 198 F. 2d 339; *Ross-Whitney Corp. v. Smith Kline & French Lab.* (9 Cir., 1953), 207 F. 2d 190.) However, since the decisions above cited other Circuits have arrived at the contrary conclusion, in well reasoned cases. (See *American Auto Ass'n v. Spiegel* (2 Cir., 1953), 205 F. 2d 771; *L'Aiglon Apparel v. Lana Lobell, Inc.* (3 Cir., 1954), 214 F. 2d 649.) We also note that one District Judge in this Circuit stated that were it not already the rule of the Ninth Circuit, he would agree with the decisions elsewhere to hold that unless such a cause of action is coupled with a substantial and related claim under the trade-mark laws of the United States, diversity is a necessary prerequisite to jurisdiction of the District Court. (See *Panaview Door and Window Co. v. Van Ness* (D. C., S. D., Cal., 1954), 124 Fed. Supp. 329.)

Since the rule of the Ninth Circuit is established as above set forth, we will not further discuss this jurisdic-



tional point, but we respectfully invite the Court's attention to the opinions of the other Circuits above cited and submit that there is no jurisdiction over the third cause of action unless there is a substantial and related claim under the trade-mark laws of the United States.

## B. Jurisdiction of the United States Court of Appeals.

If the United States District Court had jurisdiction in this action, the Court of Appeals has jurisdiction to review the final judgment of that court by authority of 28 United States Code, Section 1291, and 15 United States Code, Section 1121.

## II.

### STATEMENT OF THE CASE.

Appellant's statement of the case does not adequately mention various facts and matters disclosed by the complaint and the attached exhibits. Appellees therefore respectfully call the Court's attention to the following:

1. Appellant claims ownership of two registered trade-marks. The first mark was registered in 1952, and consists of a design of a fat boy and the word "Bob's." A copy of the certificate of registration attached to the complaint, marked Exhibit N, discloses that in a statement attached to said certificate, Appellant specifically disclaimed all of the wording shown on an accompanying drawing of the mark, except the word "Bob's," including the phrase "Home of the Big Boy (c) 1938." [R. 9, par. XIII; Ex. N.]

*Appellant did not allege in the complaint, nor does it claim in its opening brief, that Appellees have infringed the mark referred to in the preceding paragraph.*

2. In 1953, Appellant was issued a certificate of registration as a trade-mark of the words "Big Boy." In its statement attached to the certificate of registration, a copy of which is attached to the complaint, marked Exhibit O, Appellant said that "it has adopted and is using the trade-mark shown in the accompanying drawing for Hamburger Sandwiches." [R. 9, par. XIII; Ex. O.]

Appellant's registration of the words "Big Boy" as a trade-mark is limited to the words alone. There is no accompanying design. The words appear in block print or type of uniform thickness. [Ex. O.]

Although the complaint alleges that Appellant has registered two trade-marks with the United States Patent Office, the only trade-mark infringement alleged or claimed is based on Appellees' use of the mark "Big Boy."

3. Appellees' manufacturing business is named "Big Boy Manufacturing Company." They manufacture home barbecues, braziers and related accessories used in outdoor cooking. [R. 9.] They also sell other articles not related to cooking as appears from Exhibit R. The decal affixed to each barbecue or brazier which they manufacture and offer for sale states that the article to which it is attached is "Mfg. by Big Boy Mfg. Co., Burbank, Calif." Except for the words "Big Boy" this decal is not similar in design, kind of type or otherwise to Appellant's mark "Big Boy." [Ex. P.] Appellees' advertising booklet [Ex. Q] also states that their products advertised therein are "Manufactured by Big Boy Manufacturing Co." Appellees' business stationery has as part of its letterhead,

“Big Boy Manufacturing Co.” and on its left margin is set forth drawings of the various products which it manufactures. There are no food products set forth thereon. [Ex. R.]

4. Appellant owns and operates ten restaurants in Southern California in which it serves and sells a double-deck hamburger sandwich. [R. 4, par. V; R. 6, par. VII; R. 7, par. VIII.]

There is no averment in the complaint that Appellees' products compete with the hamburgers and other food products served in Appellant's restaurants or that they are sold to the same class of customers or in the same trade channels or that they are related products.

The questions involved in this appeal are:

(a) Did either the first or second cause of action state a claim upon which relief can be granted?

(b) If neither the first nor second cause of action states a claim upon which relief can be granted, did the District Court have jurisdiction to determine whether the third cause of action stated a claim upon which relief can be granted?

(c) If the District Court had jurisdiction over the third cause of action, did it state a claim upon which relief can be granted?

III.

SUMMARY OF ARGUMENT.

In a field of immense complexity and numerous close questions of law and fact, the case before the Court is one of fundamental simplicity. The embellishments of legal art are no more appropriate than embroidery on a coonskin cap. It has become almost axiomatic that the courts do not function in a vacuum and no observation is more appropriate in this case where common sense lights the decision of the District Court.

The complaint was prepared by able lawyers who declined an opportunity to amend [R. 38-39] because the entire factual situation was already most favorably and fully set forth. Nevertheless the complaint fails to allege the elements of trade-mark infringement under the Lanham Act. One required element is a "reproduction, counterfeit, copy or colorable imitation" of another's registered mark. (15 U. S. C., Sec. 1114(1).) But this does not appear in the complaint, either by way of fact, inference, or legal conclusion.

Another required element is that use of a reproduction, counterfeit, copy or colorable imitation of another's mark creates a "likelihood of confusion" on the part of purchasers of the source or origin of the goods or services. (15 U. S. C., Section 1114(1).) The first cause of action alleges that Appellees' use of the words "Big Boy" "necessarily tend to deceive and confuse" purchasers [R. 12, par. II] and this allegation is incorporated into the third cause of action. [R. 14, par. I.] But this is the only averment in the complaint which can be construed as an allegation of likelihood of confusion and it is a legal conclusion. The complaint does not set forth any facts to support it.

On the other hand, the complaint contains allegations of fact exemplified by exhibits which show that the above conclusion of "likelihood of confusion," if such it be, is not warranted and is unsupported by the facts. The result is an affirmative showing in the complaint that relief cannot be granted if credence is to be given to guiding decisions of this Circuit. See *Mershon Company v. Pachmayr* (9 Cir. 1955), 220 F. 2d 879, 883; *Sunbeam Furniture Corp v. Sunbeam Corp* (9 Cir. 1951), 191 F. 2d 141, 145; and *Sunbeam Lighting Co. v. Sunbeam Corporation* (9 Cir. 1950), 183 F. 2d 969. That there has been no infringement of Appellant's trade-marks appears from the exhibits which show no similarity of design, imitation or other likelihood of confusion of the source of obviously unrelated products. That is to say, there is nothing observable to the senses which would cause any reasonable person to confuse the marks of the respective parties.

All of the questions boil down to one: Has Appellant's use of the common words "Big Boy" in connection with a hamburger sandwich, which Appellant sells in its restaurants, acquired a secondary meaning broad enough to preclude its use by a manufacturer of outdoor home cooking equipment? Even if the words "Big Boy" have acquired a secondary meaning broad enough to include the entire restaurant business of Appellant and all services it may render in connection therewith, and licenses for use of such words in the sale of hamburger sandwiches by other restaurateurs, the gap between such meaning and the use of the same words by the manufacturers of outdoor home cooking equipment is such as to preclude conflict or likelihood of confusion in the public mind. However, if technical support for dismissal must be found for such an obvious conclusion, it may be found in the complaint.



No connection between the hamburger sold by Appellant, which we judge from Appellant's Opening Brief is regarded as the connecting link, and the outdoor cooking equipment manufactured by Appellees is alleged. It is not alleged, for instance, that Appellant's hamburgers are cooked upon equipment similar to that sold by Appellees nor that the equipment sold by Appellees is designed primarily, or at all, to cook hamburgers, least of all double-deck hamburgers similar to those sold by Appellant. It does not appear that the two products are sold at the same places customarily, or ever, or even in similar markets.

On the contrary, the products of Appellees are depicted on Exhibit R and some food products are shown upon Exhibit Q. Only one of the latter might be construed as a hamburger and then not a double-deck hamburger, and it might be any other form of meat on a bun. The Court well knows that outdoor cooking equipment such as depicted on Exhibit R is not especially designed for cooking hamburgers. Is a motor or a spit or a skewer so used? When the public thinks of outdoor cooking and barbecues, steaks, chops, spareribs, chickens and roasts come to mind.

Even if it be assumed, in the spirit of federal civil practice as it now exists, that allegations by conclusion that there is likelihood of confusion is sufficient, such allegations are completely canceled out by allegations of affirmative fact and exhibits which demonstrate the contrary. The motion to dismiss for failure to state a claim, in cases where the claim is asserted through allegations of fact, is designed to test the legal sufficiency of the facts stated. In this instance the trial court has found such facts to be legally insufficient to state a claim and Appellant has refused the Court's offer of an opportunity to amend.

IV.

ARGUMENT.

**A. A Trade-mark Such as "Big Boy" Made Up of Recognized Words in Common Use Is Narrowly Protected Under the Law of Trade-mark and Unfair Trade and Does Not Extend to Unrelated Products.**

In a recent Ninth Circuit case (1955) of trade-mark infringement and unfair trade practice involving the use of a white line upon a recoil pad affixed to a gun butt as a distinguishing mark of the maker, the principles applicable to the case at bar were clearly stated by the Court as follows:

"The words 'White Line' (as they are used, with the layer of white material constituting a white line around the pad) have no possible functional value and serve no purpose as descriptive of the article or its use. The symbol thus created acts as an arbitrary mark or sign of its owner's product in the same manner that the trade name or mark 'Sunbeam' serves its user, as particularly set out in our 'Sunbeam' cases, together with supporting authority. See *Sunbeam Lighting Co. v. Sunbeam Corp.*, 9 Cir., 1950, 183 F. 2d 969, certiorari denied 340 U. S. 920, 71 S. Ct. 357, 95 L. Ed. 665; *Sunbeam Furniture Corp. v. Sunbeam Corp.*, 9 Cir., 1951, 191 F. 2d 141. Therein we held that trade names made up of recognized words in use are protected narrowly. That is, the word 'Sunbeam' by trade-mark statute or by the laws of unfair trade, cannot be monopolized by anybody. If, however, as was the case in the Sunbeam cases, the trade word is not descriptive of the article in trade it will be protected in its application to the article or to the general nature of the article. The principle is applicable to the instant

case. A symbol, though comprised of common words, used upon a gun pad but which is not descriptive of a gun pad, may be protected as a statutory mark and as well as against the broader conception of unfair trade. The protection, however, would not go to the extent of preventing the use of the same symbol upon a product of an entirely different nature."

*Mershon Company v. Pachmayr* (9 Cir., 1955),  
220 F. 2d 879, 883.

In the first of the two *Sunbeam* cases (decided in 1950) to which the Court refers in the above quotation, a manufacturer of electrically operated household appliances sought to enjoin a manufacturer of fluorescent electrical fixtures from using the word "Sunbeam" in connection with its business. The plaintiff had registered the word as a trade-mark with the United States Patent Office.

The defendant had named its business "Sunbeam Manufacturing Company" and was using the words "Sunlite Master" as well as the words "Sunbeam Manufacturing Company, Los Angeles, California" on portable fluorescent lamps which it manufactured. The plaintiff used the word "Master" in connection with the word "Sunbeam" on its appliances. The trial court granted an injunction, but the United States Court of Appeals for the Ninth Circuit held that only where the relation between the products of the plaintiff and the products of the defendant was close was relief warranted. Defendant was enjoined from the use of the word "Master" or the words "Sunlite Master" in the sale of its lamps and also from the use of certain script print and the word "Sunbeam" on the ground that such script was similar to that used by the plaintiff and thereby likely to cause confusion. But the defendant's use of the word "Sunbeam" in its corporate name or in



the promotion or sale of those products which were not closely related to the products of the plaintiff was not enjoined.

In the second *Sunbeam* case referred to in the above quotation (decided in 1951), the same plaintiff sought an injunction against the use of the word "Sunbeam" by the Sunbeam Furniture Corp., which name was prominently displayed on its building, its furniture, price tags, shipping labels, invoices and stationery, as well as advertisements in furniture trade magazines. A small portion of its business was the sale of household electric lamps upon which appeared the words "Sunbeam Lamp."

The United States Court of Appeals for the Ninth Circuit held that the use of the word "Sunbeam" in connection with the sale of household lamps should be enjoined, but refused an injunction against defendant's use of the word "Sunbeam" in its corporate name and upon its other products because of the lack of close relationship between the products manufactured by the plaintiff and those manufactured by the defendant.

The following quotation is from the opinion of the first *Sunbeam* case (183 F. 2d at 972):

"The trial court's conclusion goes to the extent that, because the plaintiff has a registered and common-law trade-mark of the word Sunbeam and use thereof in relation to its actual produce and because of its extensive business, that word is plaintiff's sole property in commerce in the whole broad electrical field. This conclusion extends the restriction on the use of a non-fanciful word far beyond any instance that we are aware of. We are unwilling to affirm the holding that the possibility or the actual proof of an occasional instance of a person's surmise that defendants' print of 'Made by Sunbeam Electrical

Appliance Co., Los Angeles, California' or similar wording in a catalog or on an electrical fluorescent fixture suggests plaintiff as the manufacturer, and is enough to support the injunction. The law goes to no such extreme.

"There is no evidence that either party to the action is in competition in the market. The evidence is conclusively the other way. It is unreasonable to say that a person shopping for a shaver, an egg beater, or a mixer, which is a matter of common shopping in variety and hardware stores, would have occasion to even think of an electric fluorescent light fixture which, as the evidence shows, is ordinarily selected by an architect and installed by an engineer. And no purchaser or selector or installer of the light fixture would have a kitchen labor-saving gadget in mind or if he had, that it would affect his act. If plaintiff's goods are so good that the mere mention of their trade-name or mark would be sufficient for a reasonable person to select an article bearing it, no matter how unrelated plaintiff's goods are to the article, then, as it seems to us, plaintiff must suffer the price of virtue. If, in course of our free enterprise, someone would market an unworthy article outside plaintiff's field bearing the name Sunbeam it must be borne as not an unlikely circumstance following plaintiff's selection of a non-fanciful word popular with commercial concerns."

And in the same opinion, at page 973:

"Realizing the continuously expanding use of electrically operated conveniences in the progress of the civilized world, it seems quite unreasonable to hold that the plaintiff company with its well-earned reputation for quality in its line should have the legally enforceable monopoly to this superlative term through-

out the whole electrical world. It stretches to the very top of the unreasonable to say that the word 'Sunbeam' applied to a household utility machine operated by electricity should be adjudged to bring a stop to its long continued use in the firm name of a successful business enterprise whose business is the manufacture and sale of fixtures for the production of fluorescent light, a light which more closely resembles the light of a sunbeam than any other light yet discovered."

In the second *Sunbeam* case, this Court said (191 F. 2d at 145):

" . . . A common word like 'Sunbeam' cannot be completely removed from the public domain. . . ."

Appellant's trade-mark of the words "Big Boy" is a use or application of non-fanciful words of ordinary meaning to its own product, to wit, a double-deck hamburger, and also, to give the complaint its broadest interpretation, to the restaurant business of Appellant and its licensees. Again to give the complaint its broadest interpretation, the words "Big Boy" as used by Appellant have acquired a secondary meaning so that they call to the public's mind the Appellant's hamburger, its restaurant business and the restaurant business of its licensees. Its claim is almost a paraphrase of the claim in the *Sunbeam* case stated in the beginning sentence in the foregoing quotation—except that Appellant's claim is broader even than the claim made in the *Sunbeam* case in that Appellant not only claims the use of the words "Big Boy" in the whole broad restaurant field, but in addition thereto in the field of the manufacture of outdoor home cooking equipment of all types. In the light of the foregoing

quotations from the decisions of this Court, how can the claim of the Appellant be actionable?

The words are non-fanciful. Their use may be protected only insofar as they have acquired a secondary meaning through use in connection with a specific product or business.

Appellant in its opening brief has leaped to the conclusion that the words "Big Boy" are "a strong mark," a classic example of which is "Kodak," rather than a weak mark, and with this step once taken, has sought to apply the law of cases wherein fanciful names have been granted broad protection. It is earnestly and respectfully submitted that the application of such terms of legal convenience (the equivalent, in effect, of legal shorthand) leads to inaccurate analysis and that the fundamental principles of the law of trade-mark and unfair trade practice have been expressed in ordinary language by this Court in the above-cited cases where it clearly appears that non-fanciful words are only protected in the restricted field of their acquired secondary meaning.

While it is clear from the *Sunbeam* cases and others that actual competition is not an essential element to protection against unfair trade practice or trade-mark violation, its absence diminishes the likelihood of confusion in the mind of the prospective purchaser. Where the goods of one party are not closely related in character, in their place of sale or in their method of marketing, there is little or no likelihood of confusion of source of the product. When, in addition, the source of the product is clearly indicated by Appellees where the words "Big Boy" are used by them, a complaint which alleges no closer relationship is not legally sufficient to warrant relief and should be dismissed. As the complaint discloses, in adver-

tising and promoting their products and on the labels affixed thereto, Appellees have indicated that such products are "Mfg. by Big Boy Mfg. Co., Burbank, Calif." [R. 9 and 10; and Ex. P.] This is a sufficient and complete disclosure of the source or origin thereof (*S. C. Johnson & Son v. Johnson* (2 Cir., 1940, 1949), 116 F. 2d 427, 175 F. 2d 176, Cert. den. 338 U. S. 860, 94 L. Ed. 527, 70 S. Ct. 103).

In ruling upon Appellees' motion to dismiss in this case the trial judge said [R. 38-39]:

"The Court: I do not think the relationship is close enough. Consequently, I will grant the motion to dismiss, with leave to file an amended complaint showing that there is a closer relationship. But I do not think that you have established your right in the food industry, in the restaurant business, so that you can carry over that right into a manufacturing business."

**B. Protection of Common Non-fanciful Words Fancifully Applied as a Trade-Mark Will Not Be Extended Beyond the Secondary Meaning Which They Acquire.**

Point VII of the opening brief discusses "strong" and "weak" trade-marks and concludes that "Big Boy" is a strong mark. That this is not helpful terminology has already been pointed out and Appellees believe that its use has brought Appellant to a mistaken conclusion.

Appellant relies chiefly upon the case of *Stork Restaurant v. Sahati* (9 Cir., 1948), 166 F. 2d 348. It is certainly true that the words "Stork Club" are fancifully applied and are not descriptive of a night club or restaurant for all of the reasons mentioned by the Court. It is also one of the most famous night clubs in the world. It



is probably safe to say that most adults know of the existence of the Stork Club.

Use of the name "Stork Club" by a "small bar, tavern and cocktail lounge" in San Francisco was enjoined. But the Court did not reach this conclusion by determining that "Stork Club" was a strong mark. It pointed out that fanciful non-descriptive names warranted greater protection than descriptive words but under the title "Confusion of Source" at page 356 of the opinion, the Court prefaced its remarks by saying:

"We reach now what is perhaps the controlling principle in the instant case."

The first and most obvious fact and most distinguishing characteristic between the *Stork* case and the case at bar is that in the former the litigants were in the same business.

Would it not be reasonable to suppose that a successful night club from New York might also open a night club or restaurant in the City of San Francisco which enjoys a worldwide reputation for the high quality of its restaurants and which city in its cosmopolitan nature more resembles New York City than any other city on the Pacific Coast? Restaurant chains are not new. The likelihood of confusion of source is, therefore, quite apparent in the *Stork* case for reasons which do not appear in the case at bar.

The name "Big Boy" is to some extent descriptive and, therefore, its use elsewhere is more to be expected. Appellant chose the name with this fact before it. It is much less fanciful than "Stork Club". Even so, Appellant would likely deserve protection against its use by another restaurant, but the words are most certainly not in the same class with "Kodak" and "Nujol."

To put the matter in the words of Mr. Justice Minton, whose viewpoint coincides with the opinions in the *Sunbeam* cases and who was United States Circuit Judge at the time of writing the opinion from which we quote:

“Unless ‘Sunkist’ covers everything edible under the sun, we cannot believe that anyone whose I.Q. is high enough to be regarded by the law would ever be confused or would be likely to be confused in the purchase of a loaf of bread branded as ‘Sunkist’ because someone else sold fruits and vegetables under that name. The purchaser is buying bread, not a name. If the plaintiffs sold bread under the name ‘Sunkist,’ that would present a different question; but the plaintiffs do not, and there is no finding that the plaintiffs ever applied the word ‘Sunkist’ to bakery products.

“The unconscionable efforts of the plaintiffs to monopolize the food market by the monopoly of the word ‘Sunkist’ on all manner of goods sold in the usual food stores should not be sanctioned by the courts. The trade-marks should be confined substantially to the articles for which they were authorized, otherwise, why limit the marks at all? Before a trade-mark can be granted under the applicable Lanham Act, the application therefor must name the products to which it is to apply. 15 U. S. C. A., Section 1051. We are unable to see how one seeking to purchase bread could be likely to be confused as to the source of origin of the bread, although sold under a trade-mark valid for fruits and vegetables. Certainly this must be true where bread has never been sold by the owner of said trade-mark, valid as to fruits and vegetables.”

*California Fruit Growers Exch. v. Sunkist Baking Co.* (7 Cir., 1947), 166 F. 2d 971, 973.

It is worth noting that in both the *California Fruit Growers* case and in the *Sunbeam* cases the respective courts refused to permit a monopoly of name even in the same industry. Appellant asks for even more.

The trial court did not base its judgment upon the idea that relief cannot legally be granted because one party is in the restaurant business and the other is in the manufacturing business. It based its judgment upon the fact that the two businesses and respective products were unrelated so that no confusion of source was likely. The differences in the two businesses was only one element.

The cases cited at page 18 of the opening brief are all cases where there was a close relationship shown between the activities of the opposing parties even though such activities were in somewhat different fields. We do not beg the question or seek to hide behind the skirt of technical terms or distinction. It is the position of Appellees that there is no likelihood of confusion shown by the complaint, which since opportunity to amend was declined presumably states all that can be said in support of the claim.

The facts that one party is in the restaurant business and that the other manufactures products of iron and steel, that they are not competitive, that their products are not sold in the same market, are elements affirmatively opposed to likelihood of confusion and appearing from the complaint.

Appellant's attempt to distinguish the *Sunbeam* cases at Point IX, pages 19-22 of the opening brief is a weak struggle. As pointed out elsewhere in this brief the terms "strong" and "weak" marks do not lead to reasoning on principle. Appellant thinks that the marketing



factor of the *Sunbeam* cases is a distinguishing point, but the contrary is true. Appellant's sales are confined to the restaurant business as appears from the complaint. There is no averment that barbecue or cooking equipment is sold in the same market. So what is the fact in this case and where is the distinction? The likelihood of confusion by the relationship between outdoor cooking equipment and double-deck hamburgers sold by Appellant is a matter we leave to the Court. Finally they argue that the *Sunbeam* cases are not authority because they were not decided on motion. This is no distinction of guiding principles.

**C. Upon a Motion to Dismiss, Whether the Complaint States a Claim for Relief Is a Question of Law.**

In Appellant's summary of argument and in Point VI of its opening brief it is contended that the question of likelihood of confusion is a question of fact which cannot be determined upon a motion to dismiss. This overlooks Appellant's Point V that upon such a motion the properly pleaded allegations of the complaint must be treated as true. This fact cuts both ways. It precludes a challenge of the facts properly pleaded but it also tests the legal sufficiency of the complaint as it stands without benefit of any further, additional or different proof of fact.

It is immaterial, therefore, what Appellant might be prepared to prove in relation to any fact alleged in the pleadings. There are no issues of fact, and no room for proof. It is the equivalent of a motion for non-suit. All of the Plaintiff's facts are before the Court. There is no denial and consequently no issue of fact. The question is: Are these facts sufficient to warrant relief?

The complaint contains but one allegation which might be construed as an allegation of likelihood of confusion, to wit: That Appellees' use of the words "Big Boy"

" . . . are deliberately calculated and intended to deceive and confuse, and necessarily tend to deceive and confuse, the purchasing public . . ."  
[R. 12.]

These are actually averments of intentional use and actual confusion rather than the likelihood of confusion. If treated as indirect allegations of likelihood of confusion, these averments are at best conclusions. Opposed thereto are the allegations of actual fact and the true picture painted by the exhibits which show conclusively the unrelated nature of the two businesses.

Appellant declined an opportunity to amend to show a closer relationship or any further fact to show likelihood of confusion. Nothing more could be said. So as the complaint stands it is both insufficient to show likelihood of confusion and affirmatively shows such lack of relationship between the two businesses as to compel the trial court to hold the complaint insufficient on both grounds. Allegations of fact control over conclusions drawn contrary thereto.

Use of a registered mark is not sufficient to constitute infringement in the absence of likelihood of confusion.

*Radio Corp. of America v. R. C. A. Rubber Co.*  
(D. C., N. D., Ohio E. D., 1953), 114 Fed.  
Supp. 162;

4 Callmann, *Competition and Trade-Marks* (2d Ed.), Sec. 84, p. 1626.

An examination of Appellant's citations under Point VI of the opening brief explains Appellant's misconception of this point. The case of *John Walker & Sons v. Tampa Cigar Co.* (5 Cir., 1952), 197 F. 2d 72, is one where the contention was made that as a matter of law there could be no likelihood of confusion since the products were non-competitive. The Court held that a close enough relationship to cause confusion may exist between two businesses even though they are not competitive. But when the complaint shows both that the goods are not competitive and that there is no close relationship between the two businesses, the Court may certainly conclude that there is no likelihood of confusion and dismiss the complaint.

See the case of *Christianson v. West Pub. Co.* (9 Cir., 1945), 149 F. 2d 202, 203:

“ . . . There is ample authority for holding that when the copyrighted word and the alleged infringement are both before the court, capable of examination and comparison, non-infringement can be determined on a motion to dismiss.”

At page 13 of the opening brief appellant cites three other cases as occasions when it had been held that likelihood of confusion is one of the facts to be decided on the merits. In each case the reason for the ruling is easily understood and none of them hold that the issue may not be decided upon a motion to dismiss.

In *Pure Foods v. Minute Maid Corp.* (5 Cir., 1954), 214 F. 2d 792, there was a close relationship between the parties because both were in the frozen food business out of which the dispute between them arose. Moreover, the case went to trial and the Court simply held that on the trial the question of likelihood of confusion

was an issue of fact. In *Q-Tips v. Johnson & Johnson* (3 Cir., 1953), 206 F. 2d 144, both parties manufactured and sold products which were substantially identical. Both were in the same business. The original issue arose on a motion for summary judgment after the issues had been framed by denials. The case was later tried and likelihood of confusion was treated as an issue of fact. The appellate decision cited by Appellant does not mention the point for which its decision was cited. In *Chappell v. Golkman* (5 Cir., 1950), 185 F. 2d 215, the issues had been framed and the motion was treated as one for summary judgment.

Pertinent to the fact that both parties to this action must confine themselves to the facts alleged in the complaint, Appellees respectfully invite the Court's attention to what might be misleading on page 17 of the opening brief. The quotation marks appearing on this page enclose pure argumentative and imaginative fancy and are not to be taken as a quotation of a fact admitted on this appeal or otherwise.

**D. No Evidence of Likelihood of Confusion Arises From a Showing of Intent to Deceive Purchasers Unless There Is Competition or a Close Relationship Between the Products Involved and the Question of Likelihood of Confusion Is Doubtful.**

Point X of Appellant's Opening Brief at page 22 is devoted to the idea that the allegation of intent which appears in the record at page 12, Paragraph II, is sufficient to raise a presumption that there is a likelihood of confusion of the products of the parties. We do not so view the law.

In each of the cases cited by Appellant, including the case of *My-T-Fine Corporation v. Samuels* (2 Cir., 1934),

69 F. 2d 76, there was a close relationship or direct competition between the businesses. Except for the fact of an established intent, there was doubt as to whether there was likelihood of confusion, the question of intent tipping the scales sufficiently to warrant relief.

Appellees believe that the use of the term “presumption” is inaccurate. However, in any case, it is a matter which may be either rebutted or overcome by other elements in the case since it is immaterial except in cases of actual competition or close business relationship.

In one of the cases cited by Appellant, where existence of intent was relied upon to furnish evidence of likelihood of confusion, the Court recognized that where there was little likelihood of confusion, intent was immaterial.

“Cases will arise, of course, where the facts so clearly establish that no confusion will result that the intent of the defendant becomes immaterial.”

*Time, Inc. v. Life Television Corp.* (D. C. D. Minn., 1954), 123 Fed. Supp. 470 at 475.

**E. Appellant's Argument Is Predicated Upon the Assumption That Certain Facts Were Well Pleaded, and Hence Admitted, When in Fact They Were Not Pleaded at All.**

At page 9 of the opening brief, Appellant has asserted that the complaint alleges reproduction by Appellees of the registered mark of Appellant with references to paragraphs XIV-XXI at page 14 of the record. We respectfully submit that this is not the case. The only reference to paragraphs XIV-XXI on page 14 of the record is in paragraph I of the third cause of action wherein paragraphs so numbered are incorporated. Apparently the paragraphs of the complaint referred to appear at pages 9-11 of the record.



Paragraph XV [R. 9] alleges that Appellees affix a decal to their products [Ex. P]. As Judge Garrecht said in *Christianson v. West Pub. Co.* (9 Cir., 1945), 149 F. 2d 202, 203:

“ . . . when the copyrighted word and the alleged infringement are both before the court, capable of examination and comparison, non-infringement can be determined on a motion to dismiss.”

We respectfully represent to the Court that an examination of the decal of Appellees and comparison with the trade-mark of Appellant will more clearly demonstrate to the Court that there has been no reproduction of the registered mark of the Appellant than any words which we could put in this brief.

Paragraph XVI [R. 10] refers to an advertising booklet unidentified by the complaint, but without any allegation that the booklet reproduces the trade-mark of Appellant. Paragraph XVII [R. 10] refers to Exhibit Q, which is the photostat of the back cover of one of Appellees' advertising booklets. Further reference is made to Exhibits C, F, G, I and J. It is not alleged that there is any reproduction of the mark of Appellant and a comparison of the exhibits referred to will demonstrate that there has been no reproduction. The same can be said of Paragraph XVIII [R. 10] which refers to Exhibit R, a copy of the letterhead of Appellees.

The remaining paragraphs do not refer to any other items upon which a reproduction of the registered mark of Appellant could appear, nor is it otherwise alleged any place in the complaint that there was any reproduction of

the trade-mark. Appellees respectfully submit to the Court that since there was no reproduction of the mark there could be no use thereof in interstate commerce and that the elements of trade-mark infringement required for a statement of a substantial claim under the trade-mark laws of the United States in the first and second causes of action of the complaint are lacking for these reasons as well as the others specified in this brief and that the third cause of action falls for want of jurisdiction since there is no substantial or related claim under the trade-mark laws of the United States.

### Conclusion.

One may well speculate upon the purpose or at least the result of Appellant's action if successful. It would have a ready-made market for manufactured items which are entirely foreign to its present business and could capture with the blessing and protection of the Court the trade built up at the expense of Appellees.

Respectfully submitted,

ALBERT LEE STEPHENS, JR.,

*Attorney for Appellees.*

